Jobless Growth and the Right to Work

WORLD SUMMIT FOR SOCIAL DEVELOPMENT

Copenhagen
Denmark
6-12 March 1995

Attacking Poverty

Building Solidarity

Creating Jobs

UNITED NATIONS

"Creating sufficient opportunities for productive employment and sustainable livelihoods is one of the most important — and most difficult — tasks in any society."

Human Development Report - 1994
United Nations Development Programme (UNDP)

Jobless growth

The right to work is a basic human right, recognized by the United Nations as fundamental to the well-being of people and their societies.

Over the past three decades, however, most countries in all parts of the world have been unable to create enough jobs to accommodate the growing numbers of people entering the workforce. Instead, they have experienced "jobless growth", with increases in output far exceeding gains in employment.

Of the world's total labour force of 2.8 billion, around 30 per cent are not productively employed, according to the International Labour Organisation (ILO). This includes more than 120 million people who are unemployed and some 700 million who are underemployed. These people constitute the bulk of the world's estimated 1.1 billion absolute poor.

Employment has consistently lagged behind economic growth in both industrialized and developing countries. For example:

♦ less than one third of the increase in output in developing countries during 1960-1987 came from increased labour; more than two thirds resulted from capital investment;

♦ in India and Pakistan, during this period, despite annual growth rates of more than 6 per cent a year, unemployment was above 15 per cent;

♦ industrialized countries as a whole managed fairly respectable growth in output during 1973-1987, but in France, Germany and the United Kingdom employment levels fell; by 1992 unemployment had climbed to roughly 10 per cent in the Western European countries;

♦ in Sub-Saharan Africa not one country had single-digit unemployment during the 1970s, 1980s and early 1990s; urban employment rates range between 15 and 20 per cent;

♦ informal employment has increased sharply in developing countries, offering low-wage, precarious jobs, rather than remunerative permanent employment.

Widening gap

Trends that have contributed to the widening gap between economic growth and the creation of new jobs include:

♦ a preference for capital-intensive rather than labour-intensive production methods;

♦ increased use of labour-saving technologies to counter rising labour costs;

♦ growing efforts of labour unions to protect the jobs of their members;

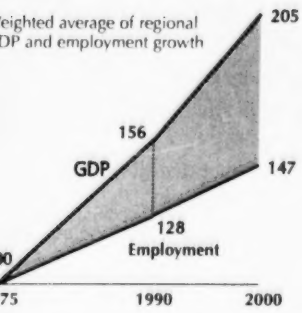
♦ a tendency to reduce the permanent labour force and employ more temporary workers.

Unless steps are taken to counter present trends, unemployment is sure to worsen. In developing countries, the total labour force increased by more than 400 million during 1960-1990. In these countries, it will continue to increase by 2.3 per cent a year in the 1990s, requiring an additional 260 million jobs.

Taking into account the number of people already unemployed or underemployed, the total requirement for the next decade will be around one billion new jobs. In the developing countries, this would mean increasing jobs at the rate of 4 per cent a year.

In addition to limiting people's purchasing power and options for participation in other aspects of economic life, failure to create jobs is likely to have serious social consequences. For example, the annual rate of net migration is likely to be about 4.6 per cent by the year 2000 as people move to urban areas in search of work. This will cause overcrowding, put pressure on water and energy resources and strain health, education and social services. Consequences related to the lack of jobs — for example homelessness, crime, prostitution leading to HIV infection and AIDS, and tensions among ethnic groups — are likely to multiply.

obless growth worldwide



e upper curve represents GDP growth 975-1990) and its projected trend 990-2000), weighted for major regions ECD countries, Latin America, Sub-haran Africa, South Asia and East Asia). **e lower curve** represents employment owth, weighted by region. Since 1975, nployment growth has consistently gged behind output growth, and this p is likely to widen during the 1990s.

urce: Human Development Report, 93, UNDP.

Employment creation

Policy makers worldwide are searching for strategies that combine a high GDP growth rate with more job opportunities. According to UNDP's *Human Development Report 1994*, the central elements of an effective national employment strategy are likely to include:

♦ **Education and skills** —To compete in a fast-changing global economy, every country has to invest heavily in the education, training and skill formation of its people.

♦ **An enabling environment** — Most new employment opportunities are likely to be generated by the private sector. But markets cannot work effectively unless governments create an enabling environment — including fair and stable macro-economic policies, an equitable legal framework, sufficient physical infrastructure and an adequate system of incentives for private investment.

♦ **Access to assets** —A more equitable distribution of physical assets (land) and better access to means of production (credit and information) are often essential to ensure sustainable livelihoods.

♦ **Labour-intensive technologies**—Developing countries have to be able to make the most efficient use of their factors of production — and to exploit their comparative advantage of abundant labour. Tax and price policies should, where appropriate, try to encourage labour-intensive employment.

♦ **Public works programmes** —Where private markets consistently fail to produce sufficient jobs, in certain regions or at certain times of the year, it may be necessary for the State to offer employment through public works programmes to enable people to survive.

♦ **Disadvantaged groups** — Where markets tend to discriminate against particular groups, such as women or certain ethnic groups, the State may need to consider targeted interventions or programmes of affirmative action.

♦ **Job sharing** —With the growing phenomenon of "jobless growth", it has become necessary to rethink the concept of work and to consider more innovative and flexible working arrangements—including job-sharing.

While the UNDP *Human Development Report* makes it clear that the experiences of one group of countries cannot be easily replicated elsewhere, it does suggest that unemployment is best solved by focusing on people, rather than solely on capital or production processes.

Another factor essential to job creation is the relevance of workers' skills to today's fast-changing environment. Education may not guarantee a job, inasmuch as there is often a mismatch between the number of educated people and the jobs calling for the knowledge and skills they have acquired. In the short term, more vocationally oriented training for the unemployed, and incentives to the private sector for hiring them, could be offered. Longer-term, however, the education and training systems of societies need to be adjusted so that people are able to acquire the skills that are in demand and flexible enough to enable labour to move to other areas.

Some of the greatest generators of jobs are small businesses, often started by individuals, families or community groups, and often including women. As would-be small-scale entrepreneurs lack collateral, it is usually difficult for them to obtain credit. Or, if they do manage to get loans, they must pay exorbitant interest rates. Ensuring ready access to capital is probably the most important step a government can take to promote entrepreneurship.

Strategy for the 1990s

Sustainable solutions will require looking at work in relation to a variety of issues countries must confront as they strive to alleviate poverty and achieve sustainable human development.

In its 1991 resolution on human resources for development, the UN General Assembly called for a well-conceived and integrated approach "... taking into account such vital areas as population, health, nutrition, water, sanitation, housing, communications, education and training, as well as the need to create more opportunities for employment ..."

This implies addressing employment within a broad-gauged human resources development strategy that not only trains people but assesses the employment market, provides good basic education, offers access to credit and builds a strong health-care system that provides jobs even as it prevents disease. Such a strategy requires the cooperation of many partners, including government ministries, the business and NGO communities, other members of civil society and UN and bilateral donor agencies. It may offer the best hope for moving towards the ideals embodied in Article 23 of the *Universal Declaration of Human Rights:*

> *"Everyone has the right to work, to free choice of employment, to just and favourable conditions of work and to protection against unemployment."*

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Children Are Our Future

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The Situation

In confronting poverty, unemployment, population growth and urbanization, and widespread instability and conflicts, the world needs to remember the enormous potential that exists for human progress. Revolutions in industry and production — reflected in a global economic output valued at more than US$20 trillion — make it possible to bring the benefits of progress to everybody and help to solve our major social challenges.

The child, a Chilean poet once wrote, cannot wait. This means that of all the social challenges, children's needs are the most pressing. Luckily, the world has the financial, technical and organizational resources to provide for all its children.

It also has a compelling reason to do so: at the 1990 World Summit for Children, where the global focus on human development received a major boost, world leaders committed their countries to achieving crucial goals for child survival, protection and development. Keeping those commitments will lay the foundation for progress in social development, ensuring a healthier and better educated, and thus more productive, citizenry, into the next century.

As United Nations Secretary-General Boutros Boutros-Ghali said, "Of all the subjects of development, none has the acceptance, or the power to mobilize, as does the cause of children. Our children are our future".

Children are a gauge of progress — and lack of it — their lives highly sensitive barometers of social distress and of the impact of poverty, unemployment, dislocations of rapid urbanization, and conflict.

- Each year 13 million children under five worldwide still die from easily preventable diseases and malnutrition.
- There are nearly 200 million moderately to severely malnourished children under five in developing countries — 36 per cent of all children in this age group. Some 69 million are severely malnourished.
- In developing countries, 130 million children, almost two thirds of them girls, lack access to primary education.

"In a world where we now talk about gross domestic product of tens of billions of dollars", observed James P. Grant, Executive Director of the United Nations Childrens' Fund (UNICEF), "to have children deprived of basic education, health care and minimal amounts of food is increasingly obscene. Morality must change with capacity."

Some impressive gains have been made for children in developing countries, saving an estimated 20 million young lives in the last decade and improving the quality of life for an additional 100 million children.

In little more than one generation, child death rates have been more than halved; malnutrition rates have been reduced by about 30 per cent; and the proportion of children enrolled in primary school has risen from less than half to more than three quarters.

The Approach

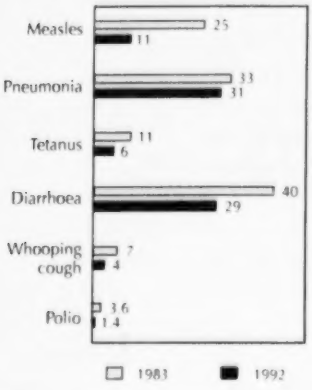
A transformation is under way in the world's treatment of children. The new ethic is reflected in the broad spectrum of rights guaranteed in the Convention on the Rights of the Child, which was adopted by the United Nations General Assembly in 1989, and the goals set at the World Summit for Children in 1990.

Now ratified by more than 150 countries and close to becoming the world's first truly global human rights law, the Convention transforms children's basic needs into legal rights. The Convention's 54 articles commit countries to guarantee children's rights to:

- Survival, development and protection from abuse, neglect and economic or sexual exploitation;
- The highest attainable standard of health care;

Decreasing deaths from childhood diseases

(Under-five mortality rates in 100,000s)



Note: 1983 figures do not include China.
Source: World Health Organization, 1993.

- Free and compulsory primary education;
- Assistance for families to achieve an adequate standard of living;
- Freedom of thought, conscience, religion, association and expression.

Almost all countries support the World Summit for Children's 7 major and 20 supporting goals for children and women, as they constitute the best social development investment a society can make. Progress towards the goals lays the foundation for alleviating poverty and unemployment, improving gender equality, slowing population growth, protecting the environment, and instituting sustainable social development.

These goals for the year 2000 were also endorsed by the UN Conference on Environment and Development (the Earth Summit). Achieving them can save 30 million children's lives during this decade.

Already, 9 out of 10 children in the world live in countries that have national programmes of action in the following key areas:

Universal child immunization — Fifteen years ago, the benefits of immunization were restricted to 15 per cent of the developing world's children. Today, immunization reaches almost 80 per cent of all children, preventing some 3 million child deaths each year. The challenge is to broaden coverage to save the 2 million children a year who die because they are not immunized against measles, polio, tuberculosis, diphtheria, pertussis (whooping cough) and tetanus.

Oral rehydration therapy — Dehydration from diarrhoeal disease is still a major child-killer, despite gains in promoting oral rehydration therapy (ORT)—a low-cost treatment that families provide at home and that can prevent 90 per cent of these deaths.

Worldwide, less than 1 per cent of diarrhoeal disease cases were treated with ORT in 1980; the usage had increased to approximately 40 per cent in 1993, preventing more than 1 million child deaths. But more than 3 million children under five years of age still die each year from diarrhoeal dehydration.

Nutrition — Children require access to adequate food as well as the prevention and control of disease and improved care and feeding of young children in the family and community environment. Malnutrition, implicated in 30 to 40 per cent of under-five deaths from preventable illnesses in developing countries, damages children's physical growth, impairs cognitive development and learning abilities, and compromises countries' long-term social development efforts.

A mildly malnourished child has twice the risk of dying from common childhood diseases as an adequately nourished child. A moderately malnourished child's mortality risk triples, and for a severely malnourished child the risk of death is 10 times as great.

Breast-feeding — This is the cornerstone of infant health and nutrition, yet it is an endangered practice around the world. Exclusive breast-feeding of infants during their first four to six months of life could prevent more than 1 million infant deaths each year.

A bottle-fed baby in a poor community is 15 times more likely to die from diarrhoeal disease and 4 times more likely to die of pneumonia than an exclusively breast-fed baby.

Micronutrient deficiencies—"Hidden hunger", a lack of essential micronutrients in the diet, has devastating effects on physical and mental development. More than 2 billion people, mostly women and children in developing countries, are deficient in one or more micronutrients, risking impaired health, disability and death.

- *Iodine deficiency disorders* (IDD) that affect 1.5 billion people would virtually disappear if the world achieves universal salt iodization by the end of 1995. Due to IDD, each year 120,000 children are born with severe mental and physical retardation, known as cretinism; 20 million children suffer less severe retardation and 50 million children are unable to take full advantage of primary schooling.
- *Vitamin A deficiency* affects some 40 million children worldwide, causing blindness in 250,000 children each year. By increasing the severity and risk of childhood diseases, vitamin A deficiency contributes to the deaths of more than 1 million under-fives annually. Countries are eliminating vitamin A deficiency by supplying supplements, encouraging breast-feeding, consumption of vitamin A–rich foods, and, in some countries, fortifying foods with vitamin A.

♦ *Iron deficiency* affects over 1 billion people, and 50 per cent of all iron deficiency occurs among pregnant women and preschool-age children. Iron-deficiency anaemia is partially associated with 50 per cent — and wholly responsible for 20 per cent — of all maternal deaths. Improved diet, food fortification and low-cost supplements all prevent the problem.

Education — Access to primary education for all children is essential for social development.

Approximately 500 million children in developing countries start primary school each year; however, more than 100 million of them, two thirds of whom are girls, drop out before finishing four years of primary school.

Disparities between budget allocations favouring secondary and college education at the expense of primary school education must be narrowed to revitalize primary education, and other approaches need to be created to reach children not served by the formal primary school system.

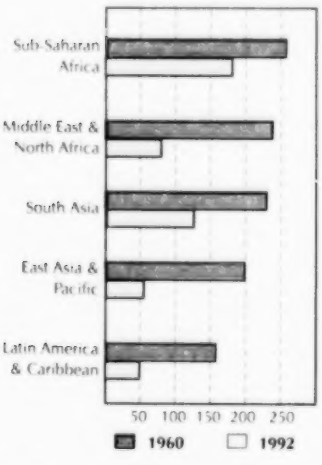
Girls — Treated unfairly in virtually every society and culture, girls endure one of the world's most pervasive yet least acknowledged forms of discrimination. This "apartheid of gender" affects a girl's and woman's entire life-span, impeding social progress and perpetuating injustices and inequalities that cripple individuals and whole societies.

In South Asia, North Africa, the Middle East and China, there are 100 million fewer women than could be expected from demographic trends. Extreme forms of discrimination include female infanticide, sex-selective abortions and severe neglect.

In at least 25 countries, mainly in Africa, an estimated 2 million girls each year undergo some form of genital mutilation, which inflicts severe pain and trauma, causes medical complications that can be fatal, and permanently damages the genital organs and normal body functions.

Reducing child mortality

(Deaths per 1,000 live births)



Source: UNICEF, State of the Worlds Children, 1994.

Other Priorities

Child labour—While unemployment is a global problem, increasing numbers of children in developing countries — estimated at 200 million — work for their own and their families' survival, often in dangerous and exploitative conditions.

Asia has some of the highest numbers of working children, accounting for up to 11 per cent of the labour force in some South Asian countries.

Focus on Africa—African countries have struggled to improve child health and education, more than doubling immunization coverage in a number of countries since 1985 and lifting primary school enrolment levels from 46 per cent in 1970 to 68 per cent in 1990. But Africa's economic crisis, the growing burden of debt, natural disasters, and the persistence of many brutal armed conflicts threaten these gains.

About 220 million people—half the population of sub-Saharan Africa — live in poverty, unable to meet their basic needs.

The more than US$10 billion sub-Saharan African countries pay each year in debt service is three times their expenditures on health.

There is global agreement on the urgent need for both debt relief for Africa and significant assistance for the UN New Agenda for the Development of Africa in the 1990s.

AIDS and youth — The AIDS pandemic threatens to reverse many gains achieved in children's health and welfare. Approximately 1 million children are believed to be infected with the virus that causes AIDS, and by 2000 an estimated 10 million children will have been orphaned by the disease.

With young people now most at risk of contracting AIDS, the UN system agencies, as well as other committed public/private-sector entities, are assisting countries with education, life-skills training and health services for vulnerable youth.

Armed conflicts — The many armed conflicts around the globe seriously undermine progress already made and threaten future development. The number of refugees worldwide has swelled to 18 million, and another 24 million people are displaced within their own countries.

Children have been the most tragic casualties of armed conflicts during the past decade, with more than 1.5 million killed, more than 4 million wounded or disabled, and some 12 million left homeless. Ten million children are believed to suffer war-related psychological trauma. The estimated 100 million land-mines in 60 countries kill or maim hundreds of children each month.

Of all the subjects of development, none has the acceptance, or the power to mobilize, as does the cause of children. Our children are our future.

—UN Secretary-General Boutros Boutros-Ghali

UNICEF has pioneered "days of tranquillity" and "corridors of peace" to assist children in war, programmes to help heal psychosocial trauma, and Education for Development programmes that sensitize children against prejudice and teach conflict-resolution skills.

20/20: Mobilizing Resources for the Future

To sustain global commitments to children, UNICEF supports the "20/20" strategy proposed by the UN Development Programme in 1991. At best, the share currently allocated to basic human needs in the budgets of developing countries and by international donors is only about 10 per cent. Under the "20/20" strategy, both developing countries and donors would increase their allocations to 20 per cent, thus ensuring the greater resources needed to usher in a brighter future for children and all humanity.

For further reading:

The State of the World's Children, UNICEF (annual).

The Progress of Nations, UNICEF (annual).

Girls and Women: A UNICEF Development Priority, UNICEF, 1994.

For further information:

Mr. Paul Altesman
United Nations Children's Fund (UNICEF)
Room H-13F
3 U.N. Plaza
New York, NY 10017
Tel.: (212) 326-7033

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